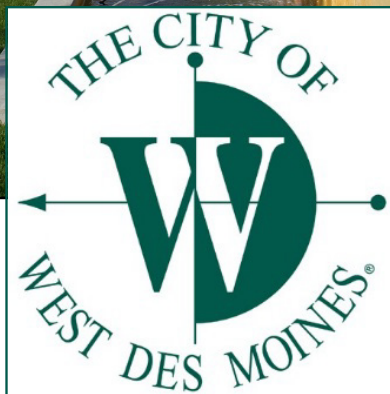




2015 Existing Industry Report



Positioned. *Perfectly...*

THE EXECUTIVE CALL PROGRAM

Since 1997, the City of West Des Moines has been involved in the Executive Call Program. This past year, 58 local businesses participated, offering their opinions on city services and helping the City gain a better understanding of industry trends. Staff from the City of West Des Moines Community and Economic Development Department, as well as representatives from the Greater Des Moines Partnership and the West Des Moines Chamber of Commerce, conducted the Executive Call interviews. The discussions included questions related to workforce traits, job training, potential expansion, and other topics.

The information gathered from these discussions gives the City a better understanding of local firms' needs, allowing them to better serve the community. This Existing Industry Report aggregates the information and responses gathered from all the interviews, while ensuring the confidentiality of each business's individual information.



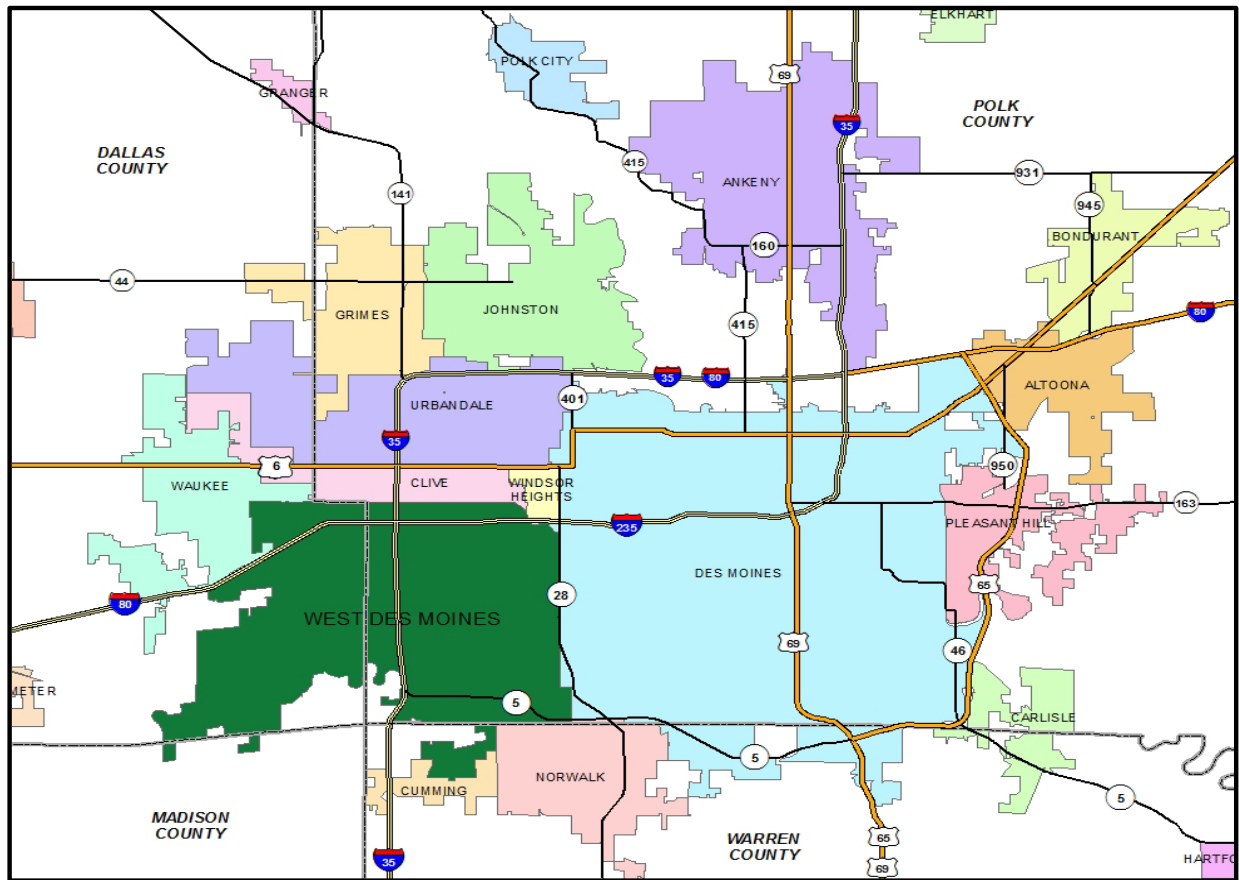
A complete list of the businesses who participated in the program this year can be found on page 11. We would like to extend our appreciation and thanks to all the businesses who participated in the 2015 Executive Call Program.

If your business would like to participate in the Executive Call Program in the future, please contact the City of West Des Moines Community and Economic Development Department at 515-273-0770.



THE CITY OF WEST DES MOINES

The City of West Des Moines, located in central Iowa, is perfectly positioned in four counties: Dallas, Madison, Polk, and Warren.



Population: 64,113¹

- 13.1% increase from 2010

Daytime Population: 129,313²

Education: 52.4% of WDM population (25 and older) have a Bachelor's Degree vs 29.3% in U.S.¹

Mean Travel Time to Work: 16.8 minutes^{1*}

Unemployment Rate: 2.6% (May 2016)³

¹ United States. Census Bureau. "West Des Moines city, Iowa" QuickFacts: US Census Bureau, 2015. Web. 8 June. 2016. <<http://www.census.gov/quickfacts/table/PST045215/1983910,00>>

^{1*} Mean travel time was calculated using data from 2010 to 2014.

² United States. Census Bureau. "Detailed Tables for Total Resident Population, Total Workers Working in the Area, Total Workers Living in the Area" 2010-2014 American Community Survey 5-Year Estimates, 2014. Web. 14 June. 2016 ; Jordan Creek Town Center

³ Iowa. Labor Market Division. "Local Area Unemployment Statistics data" Iowa Workforce Development, 2016. Web. 22 June. 2016. <<https://www.iowaworkforcedevelopment.gov/local-area-unemployment-statistics>>

Positioned. *Perfectly...*

COMPANY PROFILES

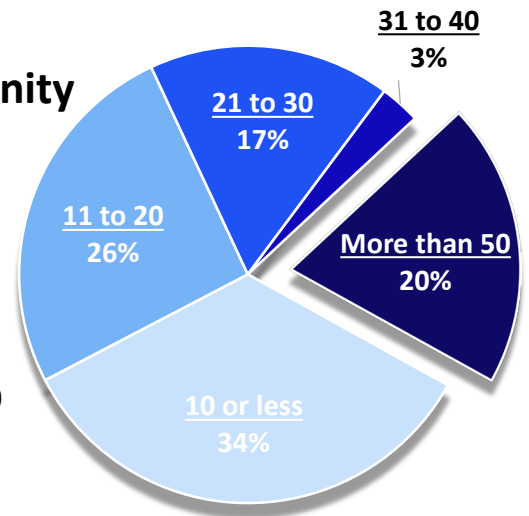
The City of West Des Moines maintains long-term relationships with its local businesses.

- 20% of participants have been in the City for over 50 years



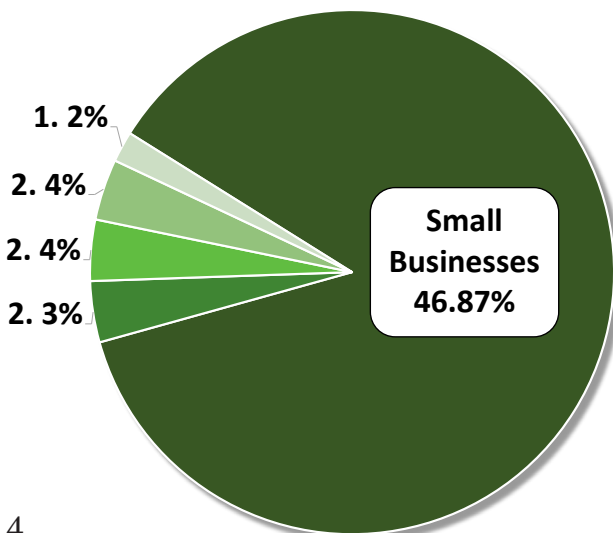
Years in Community

- 10 or less
- 11 to 20
- 21 to 30
- 31 to 40
- More than 50



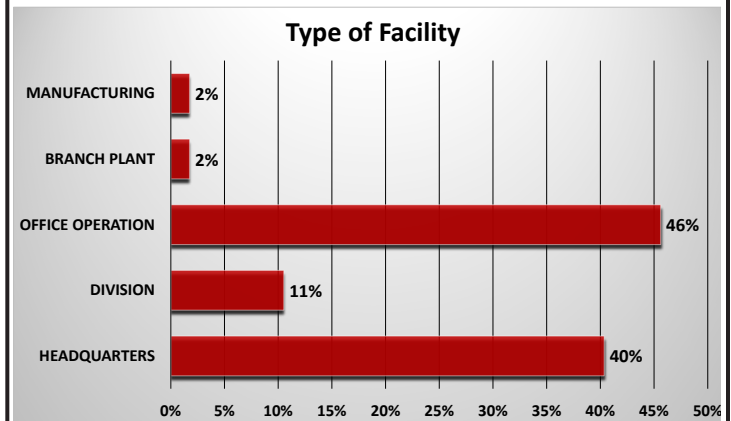
The City of West Des Moines is proud to be home to a large number of small businesses.

- 4 out of 5 businesses participating in 2015 had less than 100 employees. (■ 46.87%)
- Other companies employed between:
 - 101 to 250 employees (2.3%)
 - 251 to 500 employees (2.4%)
 - 501 to 750 employees (2.4%)
 - 751 to 1000 employees (1.2%)



Type of Facility

Most of businesses surveyed for this year's Existing Industry Report were office operations, closely followed by company headquarters. This was a slight change from 2014 when the majority were company headquarters.



Ownership of Participating Businesses

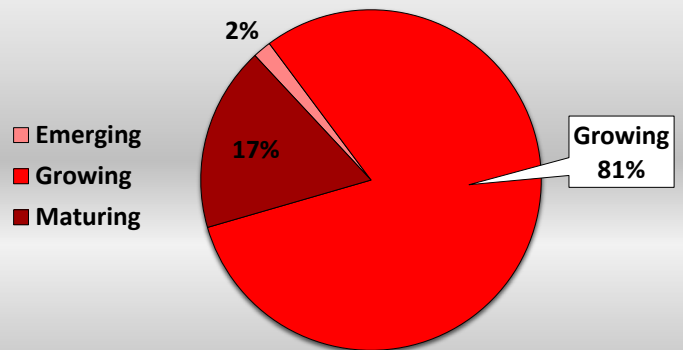
- 31% Private
- 5% Public
- 5% Non-profit
- 35% Unspecified

BUSINESS DYNAMICS

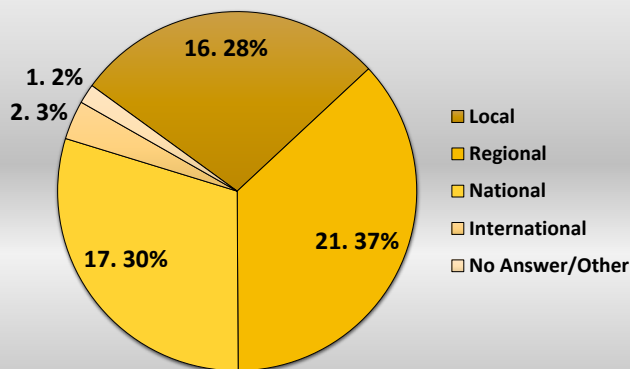


The vast majority of West Des Moines businesses are growing, implying that the City's environment is conducive to expansion and friendly to business. Furthermore, 70% of those surveyed agreed that there is room for expansion in the City. It is also important to note that no companies considered themselves to be declining.

Business Cycle Stage



Primary Market

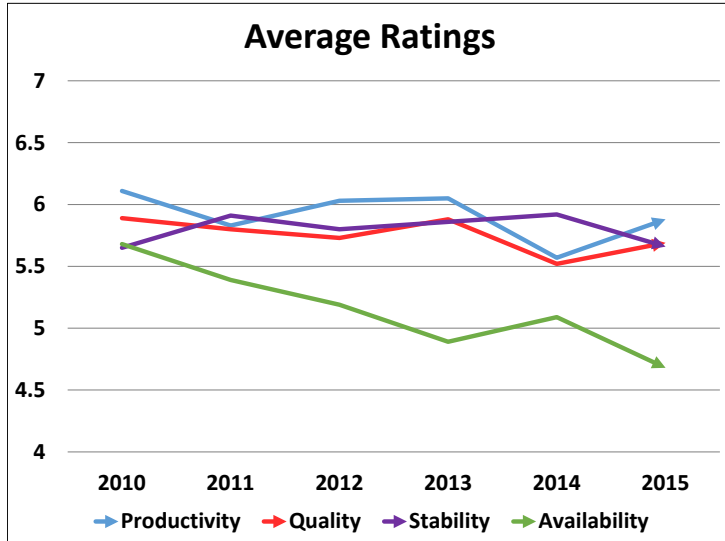


In addition, West Des Moines businesses serve diverse markets, ranging from local to international. Predominately, companies cater to regional customers. However, the graph on the left shows that local and national markets are also well represented, demonstrating that all types of businesses can prosper in the City.

Businesses in West Des Moines thrive due to *innovation*. 75% of those surveyed had introduced a new product within the last five years and another 64% plan to introduce a new product within the next two years. Complimenting this growth, 87% of businesses reported increasing company sales, with 66% experiencing an increase in the market share of their company's key products.

WORKFORCE

A highly skilled workforce is integral to the success of any industry. Businesses were surveyed regarding their satisfaction and perception of the local West Des Moines workforce. They were asked to rate workforce **quality, availability, stability and productivity** on a scale of 1 to 7, with seven representing the highest level of satisfaction. Local employers are highly satisfied with the **productivity** of the West Des Moines workforce, giving it an average score of **5.88¹**, which increased from 2014's average of 5.57. Furthermore, **quality and stability** received high average ratings of **5.69** and **5.66**, respectively. Workforce quality increased from 2014, while stability experienced a slight decrease. Employers were less satisfied with the **availability** of the workforce, only scoring it **4.67**. Availability's score decreased from 2014 and experienced the greatest change



of all the categories. This could be attributed to West Des Moines' low unemployment rate of 2.6%. For reference, the U.S. unemployment rate is 4.7%, as of May 2016, almost double that of West Des Moines.

As you can see from the graph to the left, West Des Moines has maintained fairly consistent ratings over time, especially in regards to workforce productivity, quality, and stability. Availability has declined steadily over the years, reflecting a statewide trend.

¹Averages were calculated after dropping the values of respondents who chose "No answer/other".

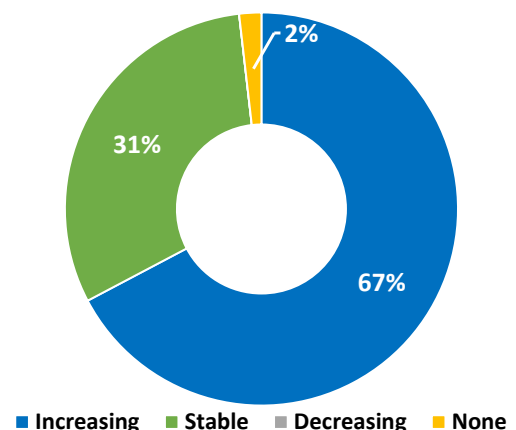
State, Midwest, and National Comparison

As shown in the table to the right, the 2015 West Des Moines workforce received higher ratings in all categories compared to state, regional, and national averages, despite the decreases in stability and availability from 2014. Employers have consistently rated West Des Moines higher in all categories since 2013, which is the first year state, regional, and national data is available.

| Average Ratings 2015 | | | | |
|----------------------|-----------------|------|---------|----------|
| | West Des Moines | Iowa | Midwest | National |
| Productivity | 5.88 | 5.63 | 5.69 | 5.67 |
| Quality | 5.69 | 4.78 | 4.84 | 4.96 |
| Stability | 5.66 | 5.26 | 5.38 | 5.37 |
| Availability | 4.68 | 4 | 4.19 | 4.45 |

67% of businesses are increasing investment in job training.

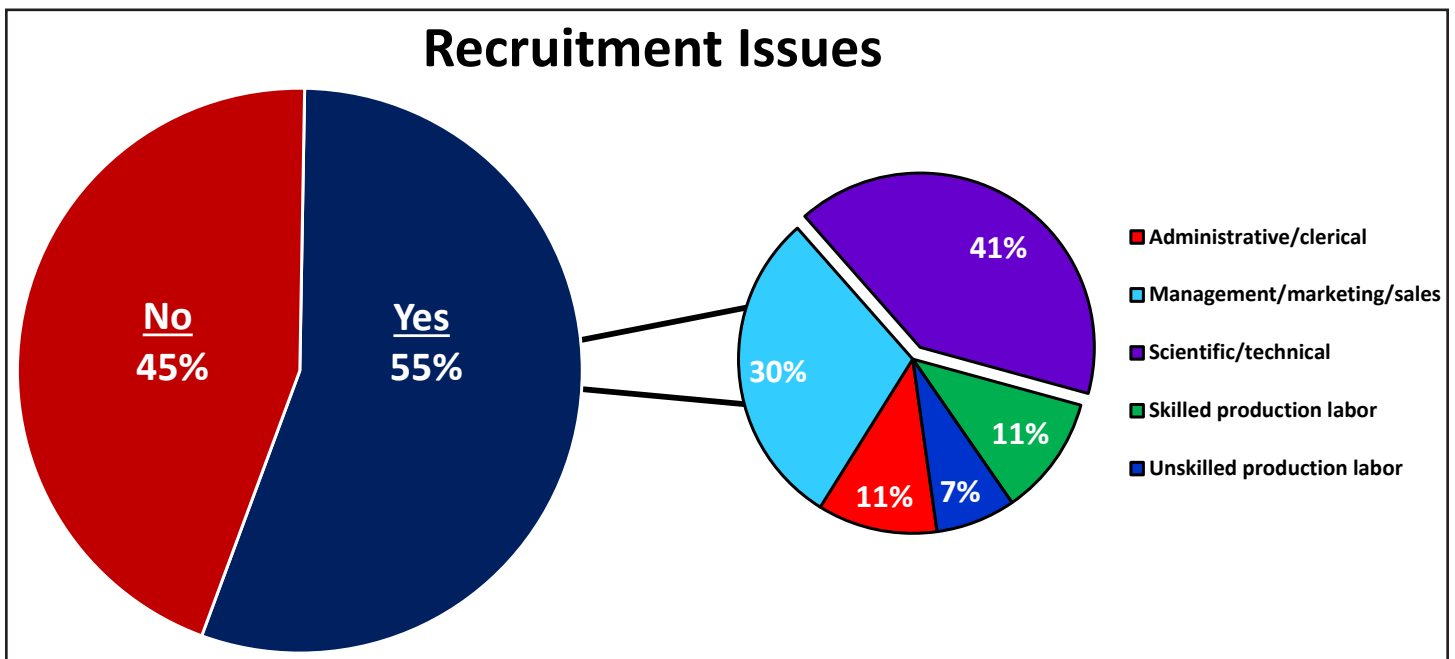
Investment in job training has been steadily increasing over the last several years, indicating that businesses place a high value on skilled employees. Of those businesses who are not increasing investment in job training, 31% have maintained their previous investment levels. None have decreased investment in job training and only 2% have no training.



WORKFORCE



In West Des Moines, about two-thirds of our businesses consider their workforce to be stable. Of those remaining, 30% noted a trend of an increasing number of unfilled positions. This is slightly above Iowa's average of 25.02% but below the Midwest's average of 33.46%. This suggests that employee recruitment could potentially become a concern for businesses. Issues with recruitment also relate to employers' lower satisfaction of the availability of the workforce. A little over half of the businesses surveyed cited difficulties with recruitment, especially in scientific or technical positions. However, difficulty recruiting these types of positions is not unique to West Des Moines. In Iowa and the Midwest, skilled labor represents the greatest recruitment issue, closely followed by scientific or technical positions.



In 2015, 14.4% of Iowa employers reported problems recruiting scientific and/or technical workers, which is less than West Des Moines' totals. However, the state total has been increasing steadily each year. The greater shortage of scientific and technical labor in West Des Moines compared to Iowa is likely related to the prevalence of services industries, like finance and insurance, that require skilled technical workers. Furthermore, according to a Bureau of Labor Statistics¹ 2015 report, the private sector has a high demand for STEM² positions such as software developers, data scientists, and skilled labor. This high demand leads to shortages of skilled STEM workers in specific fields or positions. The City of West Des Moines simply reflects this national trend.

¹Bureau of Labor Statistics. "STEM crisis or STEM surplus? Yes and yes." *Monthly Labor Review*. Bureau of Labor Statistics, United States Department of Labor, May 2015. Web.

²STEM refers to science, engineering, mathematics and information technology domain as defined by the Standard Occupation Classification Policy Committee. It excludes sales or managerial positions.

COMMUNITY CHARACTERISTICS

– Opportunities –

Business leaders in West Des Moines were asked to identify both opportunities and challenges of conducting business in the community. Of the many strengths highlighted by the executives, a *positive business climate* and *location* dominated, with roughly 30% listing these as strengths. Since the inclusion of this topic in our Executive Calls, a positive business climate and location have consistently topped the list of community strengths. The ideal location of West Des Moines *positioned perfectly* at the crossroads of I-80 and I-35 clearly offers an advantage to our local businesses. Furthermore, in reference to a positive business climate, employers mentioned a vibrant economy, knowledgeable workforce, and high potential for growth. Other strengths frequently mentioned include *a stable economy and community, positive community leadership*, and *good government services*.



Like any community, West Des Moines has its share of challenges. After being provided a list of challenges, which included topics related to labor; government; community; education; and infrastructure, employers often mentioned transportation as a challenge, referring specifically to the Des Moines International Airport. The majority of complaints centered on a lack of direct flights to and from the airport, but many noted that this is gradually improving. A variety of other challenges were listed by different employers, but no other common issue emerged. One of the more frequently mentioned challenges was an inadequate supply of skilled labor. As discussed in the “Workforce” section, the lack of skilled labor is a widespread problem throughout the Midwest and, in West Des Moines, can at least be partially attributed to a very low unemployment rate of 2.6%.



COMMUNITY SATISFACTION

| Service | | WDM 2014 | WDM 2015 | Iowa 2015 | Nat'l 2015 |
|------------------|---------------------------------|-------------|-------------|--------------|---------------|
| City Provided | Police Protection | 6.56 | 6.61 | 5.98 | 5.80 |
| | Fire Protection | 6.56 | 6.64 | 6.19 | 6.08 |
| | Ambulance/ Paramedics | 6.71 | 6.66 | 6.13 | 6.03 |
| | Traffic Control | 6.22 | 5.70 | 4.97 | 4.92 |
| | Local Street and Roads | 6.05 | 5.89 | 4.71 | 4.73 |
| | Regulatory Enforcement | 5.94 | 5.93 | 5.05 | 4.95 |
| | Zoning Changes & Permits | 5.94 | 5.96 | 5.12 | 4.87 |
| | Property Tax Assessment | 5.37 | 5.11 | 4.46 | 4.52 |
| Education | Schools (K-12) | 6.54 | 6.46 | 5.76 | 5.46 |
| | Tech Colleges | 6.41 | 6.47 | 5.83 | 5.57 |
| | Community Colleges | 6.46 | 6.41 | 5.88 | 5.79 |
| | Colleges and Universities | 6.41 | 6.44 | 5.92 | 5.84 |
| Community | Health Care | 6.68 | 6.61 | 5.85 | 5.67 |
| | Child Care | 5.59 | 5.73 | 5.11 | 5.21 |
| | Public Transportation | 4.76 | 4.83 | 4.60 | 4.31 |
| | Highways (State and Federal) | 6.65 | 5.81 | 5.16 | 5.14 |
| | Airline Passenger | 5.39 | 5.19 | 4.24 | 4.68 |
| | Community Planning | - | 6.00 | - | - |
| | Community Services | - | 6.00 | - | - |
| Utilities | Water | 6.14 | 6.17 | 5.68 | 5.60 |
| | Sewer | 6.26 | 6.29 | 5.69 | 5.61 |
| | Natural Gas | 6.30 | 6.31 | 5.79 | 5.64 |
| | Electric | 5.99 | 6.39 | 5.59 | 5.43 |
| | Telecom (voice) | 5.97 | 5.48 | 5.46 | 5.37 |
| | Cellular Service | 6.00 | 6.22 | 5.52 | 5.25 |
| | Internet Access | 5.73 | 5.55 | 5.23 | 5.31 |
| | Internet Speed | - | 5.60 | 5.20 | 5.23 |

Businesses were asked to rate their satisfaction with different aspects of the community based on a scale of 1 to 7, with 7 being the highest score.

Overall, West Des Moines scored high in all the categories, indicating that businesses are generally satisfied with the community. Half of the categories showed increases over 2014.

West Des Moines consistently scored higher than Iowa and the national average in all categories.

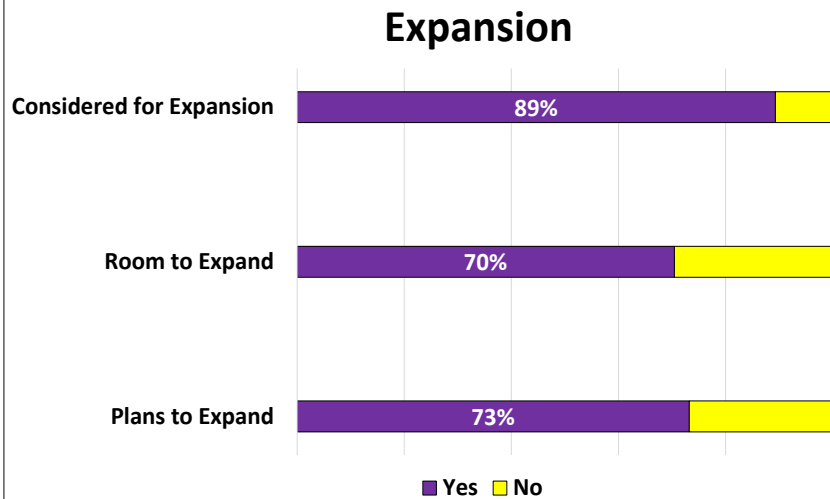


EXPANSION



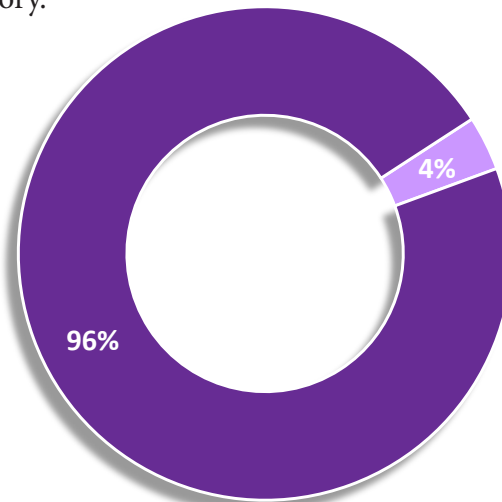
Future Expansion

- Notably, 89% agreed that there were no reasons that West Des Moines should not be considered for expansion.
- Furthermore, 70% agreed that the community has room for expansion.
- Almost three quarters of the businesses that were surveyed plan to expand in the next 3 years.



Growth

96% of the businesses surveyed believe that no barriers to growth exist in the community. Of the 4% who believed that barriers exist, one business cited the high cost of doing business as a barrier. Another cited inadequate skilled labor. The third cited an "Other" category.



Barriers to Growth: ■ Yes ■ No

THANK YOU

The City of West Des Moines would like to thank the following businesses for participating in the Executive Call Program. The information gathered from their interviews is a crucial part of the City's efforts to create local employment and to maintain and expand its tax base.

| | | |
|---|--|--------------------------------|
| ACTIS Wealth Management | ePathUSA Inc. | RE/MAX Innovations |
| Advantage Financial & Tax Services, LLC | eVizzit (now Integrated Telehealth Partners) | Risk Placement Services, Inc. |
| Asset Protection Agency, Inc. | Financial Strategy Consulting Co. | Sammons Financial Group |
| Associations Marketing Group, Inc. | Francis & Associates | Sciengistics, Inc. |
| At Home DSM | GuideOne Insurance | Scott Insurance Services |
| Athene USA | Innovative Injection Technologies, Inc. | Simpson College |
| AXA Advisors, LLC | Kabel Business Services | SKC Financial Group, Inc. |
| Bank Iowa | Kreamer Law Firm, P.C. | Smart Management |
| Berkshire Hathaway Homeservices | Little Dog Tech | Strategic Relocation Solutions |
| BizBuz | Local Shop Hop | Symetra Life Insurance Company |
| Capital Strategies | Merchants Bonding | Syverson Strege and Company |
| Charitable Giving Resource Center | Municipal Fire & Police Retirement System of Iowa (MFPRSI) | The Vroman Group, LLP |
| CliftonLarsonAllen, LLP | New Horizon Financial, LLC | TPG Companies, Inc. |
| Compass Financial | Newman Research Consulting, LLC | Universal Pediatrics, Inc. |
| Cornerstone Financial Group | PrincetonOne | UTC Aerospace Systems |
| Country Financial | Principal Financial Group | Veenstra & Kimm, Inc. |
| Davis Life & Annuity | Midwest Region Business Center | Wealth Enhancement Group |
| EC Design Group, Ltd. | Raine Recruiting, LLC | Wells Fargo Home Mortgage |
| Environmental Design Group, LTD | | West Asset Management |
| | | Wexford & James |
| | | Windsor Windows & Doors |
| | | WoodRiver Energy, LLC |



THE CITY OF
West Des Moines®

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**City of West Des Moines
Community and Economic Development Department
4200 Mills Civic Parkway, Suite 2E
West Des Moines, IA 50265-0320
515-273-0770
www.wdm.iowa.gov**